

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

December 10, 2002

DRAFT Minutes

Present:

Karen Beauchamp
Alan Bigley, M.D.
Rose C. Chu
Joseph Green-by phone
Terone B. Green
Manikoth G. Kurup, M.D.
Steven Minter
Elmer Neil, M.D.
James T. Parmelee

DMAS Staff:

Patrick Finnerty, Director
Nancy Malczewski, Public Relations Specialist
Tyris Blathers, Admin. Office Specialist III
Craig Markva, Acting Director of the Office of
Communications and Legislative Affairs
Michael Jay, Director of Budget
Linda Nablo, Director of Children's Health Programs

Absent:

Marc Wheat
H. Scott Seal

Guests:

Hobart Harvey-VHCA
H.K. Lee, Eli Lilly & Co.
Sid Del Caryre, VanGo

Call to Order

Mr. Steven Minter, Chairman of the Board, called the meeting to order at 10:04 a.m. Mr. Minter noted that depending upon appointments by the Governor, this might be his last meeting as he served two full terms (eight years). He commented that it was a pleasure serving on the Board.

Since Mr. Joseph Green was on the phone (conference call for the entire meeting), it would be appropriate for everyone in the room to introduce themselves (attendees noted above).

Chairman's Comments

Mr. Minter stated that Mr. C. Mack Brankley had previously been the Acting Agency Director and was retiring. Mr. Patrick Finnerty noted Mr. Brankley's history of serving the Commonwealth for over 30 years of service and many of those years with DMAS. Mr. Brankley was currently the Deputy Director for Program Operations and had become ill before his retirement scheduled on January 1, 2003. It was asked that the Board Chair and the DMAS Director sign and frame a letter, in recognition of Mr. Brankley's faithful service, to give to Mr. Brankley. The Board was in agreement and slightly modified the draft letter.

Mr. Minter noted that Paige Fitzgerald, Counsel for the Board, had a conflict and would arrive late. Ms. Fitzgerald arrived after the Board meeting dismissed.

Mr. Minter asked for a motion to review and approve the Minutes of the October 1, 2002 meeting. Ms. Karen Beauchamp made the motion to accept the Minutes and Dr. Elmer Neil seconded. The vote was **9-yes (Beauchamp, Bigley, Chu, J. Green, T. Green, Kurup, Minter, Neil, and Parmelee); 2-Absent.**

2003 Meeting Schedule

Mr. Minter stated that the General Assembly operates from January 8 through February 22, 2003. Therefore, to give DMAS staff more time to prepare the analysis of the impact of any legislation passed affecting DMAS, the first meeting of the year would be held in March. He asked the Board members to think about and consider whom they would vote for the office of Chair and Vice Chair at the March 11 meeting. After reviewing the suggested meeting schedule for 2003, no one objected to the dates and no vote was necessary.

Family Access to Medical Insurance Security Plan (FAMIS) Update

Mr. Finnerty introduced Ms. Linda Nablo, Director of Children's Health Programs, and mentioned her background previously as director of Sign-Up Now, a private/public partner with DMAS to assist in enrolling children without health insurance. Ms. Nablo provided an update on FAMIS. She reviewed the enrollment numbers, major accomplishments, private and public partnerships, and future plans. A handout was provided.

Ms. Nablo described the numerous changes that occurred September 1, 2002, for the FAMIS Plan and the Medicaid program. These changes, such as a simplified application for both Medicaid and FAMIS programs, and applying at the local Department of Social Services or the FAMIS Central Processing Unit with the "no wrong door" policy made it easier for families to enroll their children, and to streamline the administrative process, thereby increasing enrollment.

DMAS, working closely with the Department of Education, the Department of Health and community outreach partners focused on one key outreach, a comprehensive back-to-school campaign which was successful. All Title I schools received information about children's health insurance. Outreach events at schools, health fairs and shopping malls continue. Children on free or reduced price school lunch programs are still being contacted.

Ms. Nablo invited the Board members to the next Outreach Oversight Committee meeting being held Thursday, December 12, 2002, at 2:00 p.m. at the Koger Center. It is believed that 70-75% of the eligible children in Virginia have been covered by the FAMIS/Medicaid program. DMAS will mount a new outreach campaign after the 2003 General Assembly Session due to possible changes in legislation.

A question was raised about returning money back to the federal government again. Mr. Finnerty noted that in September 1998 the federal government provided the State with money for the children's health insurance program. Virginia's program was not implemented until October 1998. Due to the initial low enrollment, money had to be returned. The federal government has allowed states to keep a portion. DMAS is spending what it gets for the year, but DMAS still must return some of the funding from prior years. Due to the downturn of the economy, Medicaid and FAMIS are showing a higher enrollment.

Budget Update

Mr. Michael Jay, Director of Budget, gave an overview of the 15% budget reductions. A handout was provided with information on each topic. In August, Governor Warner asked each state agency to provide budget reduction plans for seven (7) percent, 11 percent, and 15 percent for fiscal years (FY) 2003-2004. The reduction plans apply only to DMAS' administrative budget. Medicaid transportation was put under the Administrative budget but was exempt from the budget cuts. These plans are currently Governor's confidential working papers. The Governor's budget will be released December 20, 2002.

Mr. Finnerty noted that Medicaid makes up 13% of the Commonwealth budget and that we do not know what the cuts will be. He further offered that once the Governor's budget cuts are released that DMAS staff will do a brief summary on the impact to DMAS and send to the Board members the following week. This will be the Governor's recommended budget, but the General Assembly can change it. DMAS will not know the final budget until after the 2003 veto session.

Discussion pursued asking DMAS staff to "think outside the box." Mr. Finnerty noted that is exactly what has been done; DMAS Division Directors were instructed to do so, and when the 2002 General Assembly mandated that DMAS find \$10 million in savings, a committee of providers, advocacy groups, and others was formed to broaden the agency's analysis of how to generate savings.

Overview of General Assembly

Mr. Craig Markva, Acting Director of the Office of Communications and Legislative Affairs, gave a brief overview of the 2003 General Assembly. A handout was provided. He said that the General Assembly has been cleaning out carry over bills. As of December 20, 2002, bills that have not been acted on are considered dead. Due to the budget crisis, if any bills cost money to implement, it is likely the General Assembly will not pass them. He noted that his division is responsible for providing a legislative impact statement to the Secretary of Health and Human Resources which are confidential Governor's working papers.

There was discussion about knowing the agency's stance on bills. The Administration takes the position on a bill, not the agency. He further noted that DMAS would send a weekly report to the Board listing the bills affecting Medicaid. After "crossover" day, DMAS could give an update of the bills.

OLD BUSINESS

Medicaid Physician Advisory Committee

Mr. Finnerty apologized for taking so long to provide the Board with the final Medicaid Physician Advisory Committee (MPAC) members, but some organizations took a long time to respond. Groups had been contacted at least twice by writing and then with follow-up phone calls. The MPAC has a broad representation: geographic areas from across the Commonwealth, and minority representation. Everyone was notified; the nominees and the organizations that offered the names. DMAS staff is polling everyone trying to get schedules together to set up meetings. The Board will be notified of the first meeting date.

Regulatory Activity Summary

There were no comments on the regulatory issues or updates.

New Business

Mr. Minter asked if there was any new business, there was none.

Adjournment

Mr. Minter mentioned that all Board members should have received a Statement of Economic Interest form and that it was due back to Barbara Newlin, DMAS Human Resources Director, before January 3, 2003. The letter for Mr. Brankley was signed by the Board Chair and the DMAS Director.

Mr. Minter stated that the next meeting of the Board is scheduled for March 11, 2003. He asked if there were any other questions, having none, the meeting was adjourned at 11:26 a.m.